

THE INEQUALITY THAT DIVIDES US

AUSTRALIAN INEQUALITY FACT SHEET JANUARY 2019

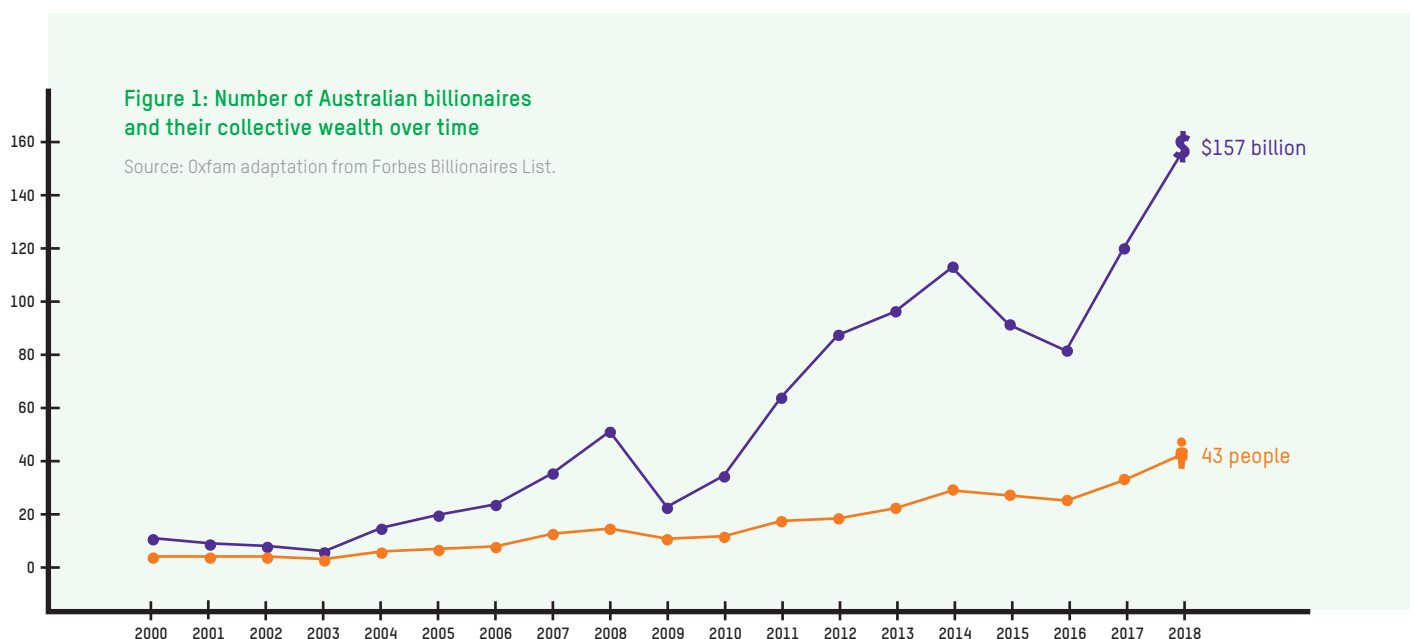
Inequality continues to climb in Australia and around the world. While billionaire wealth booms, this fact sheet examines the state of the growing gap between the rich and the rest in Australia. We find that women are particularly disadvantaged by the broken economic system that is concentrating ever more wealth into the hands of the rich and powerful – mostly men. Wealth at the top continues to grow while a yawning gender gap persists, and many Aboriginal and Torres Strait Islander Australians, especially women, are being left behind.

UNRELENTING INEQUALITY

In Australia and globally, inequality continues to grow. Last year we saw yet another record increase in the number of (mostly male) Australian billionaires, increasing from 33 to 43. Their collective billionaire wealth increased by a massive \$36 billion to \$160 billion in total. This is equivalent to an increase of \$100 million a day (figure 1). The Australian billionaire wealth increase of \$36 billion last year is enough to fund about half of the Australian Government's total health budget for the 2018-19 financial year.¹

The number of Australian billionaires increased by a record number again last year, from 33 to 43, with a corresponding wealth increase of \$36 billion – equivalent to \$100 million a day.

As an organisation committed to fighting poverty around the world, Oxfam is concerned that there is no end in sight to this harmful trend. Countries that don't make sufficient investments into public



programs and services that work to reduce inequality and poverty risk falling into a downward spiral towards a further extreme between the haves and have-nots.

The latest Credit Suisse data shows that the share of wealth concentrated in the hands of the top 1% of Australians was 22% last year (figure 2). As was the case in previous years², the top 1% of Australians owns more wealth than the bottom 70% of all other Australians combined. This is while worker wage growth remains sluggish³ and the wealth share of the bottom half of Australians remains stuck at just 9% in 2018.

Many Aboriginal and Torres Strait Islander Australians fall into the wealth group that is being left behind: the latest Australian Government report on Indigenous health performance shows that 36% of Indigenous households have weekly incomes in the bottom 25% of income groups (compared to 17% for non-Indigenous groups);⁴ and the 2016 Census shows that about 80% of Indigenous adults have weekly incomes below the national average earnings (\$1160 per week).⁵

Meanwhile, the richest corporations are avoiding their social responsibilities by not paying their fair share of taxes that should be used to fund government spending on public services we all rely on. For four consecutive years since 2013-14, more than one in three of Australia's largest corporations have not paid any taxes in Australia – and 281 companies have not paid a cent in tax for all four years.⁶ The official corporate tax gap amount of almost \$2 billion⁷ – the shortfall on tax that would have been collected if all taxpayers were compliant – is more than double the Australian Government funding to Aboriginal and Torres Strait Islander health programs.⁸

ONE GIANT LEAP NEEDED FOR WOMANKIND

Gender inequality remains an issue around the world, including in Australia where women still get paid less than men, and so accumulate less wealth. Full-time working women earn on average 85 cents for every dollar earned by men,⁹ and in every single industry a gender pay gap that favours men¹⁰ exists. During maternity leave, women are not paid superannuation, and at retirement would on average accumulate about half the amount of superannuation as men¹¹.

Employed women also have more unpaid care responsibilities, which takes time away from work: 65% of Australian women do more than 5 hours of unpaid work a week, while 60% of men do less than 5 hours.¹² By one estimate, unpaid work in Australia is valued at 41% of GDP – most of which is the contribution of women.¹³

AN EVEN GREATER LEAP FOR INDIGENOUS AUSTRALIAN WOMEN

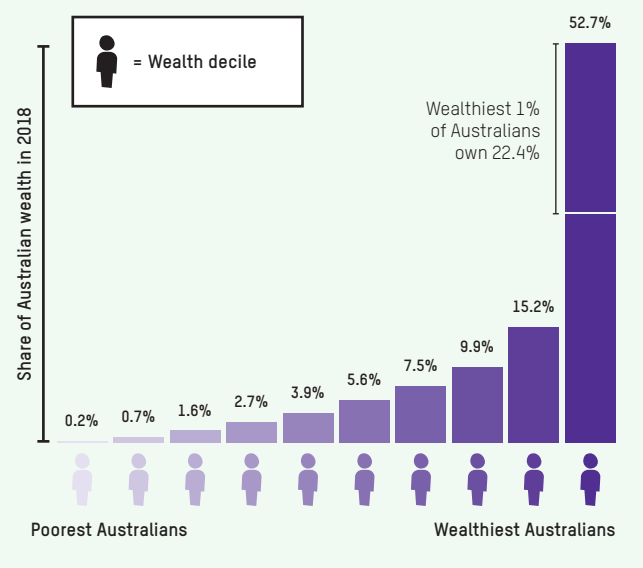
Amongst women in Australia, there is also enduring inequality in socio-economic outcomes between Indigenous and non-Indigenous women. Aboriginal and Torres Strait Islander Australians are one of

“The only sustainable wealth is shared wealth”

– Nobel Laureate Professor Joseph Stiglitz, in Australia in late 2018

Figure 2: Australian wealth distribution in 2018.

Source: Credit Suisse (2018), Global Wealth Report Databook



the overrepresented socio-economic groups facing disadvantage that has persisted over time and generations.¹⁴ Oxfam is a founding member of the Close the Gap campaign, launched 12 years ago and focused on the yawning gap between Indigenous and non-Indigenous health outcomes in Australia. One area where persistent disadvantage and inequality is clear is in maternity care and access available for Indigenous women.

The infant mortality rate¹⁵ for Indigenous women, despite improvements, has been about double that of non-Indigenous women in Australia since 2011 – and in remote areas the rate is triple that of non-Indigenous women. Even more concerning is that this infant mortality rate gap between Indigenous and non-Indigenous women began widening from 2012 in cities and from 2015 in remote locations (figure 3). In other words, whether in the city or remote and regional areas – Indigenous women are not getting the same access and care as other Australian women, and in recent years it has gotten worse.

A recent Australian Government report also found the rate of stillbirths is 60% higher for Indigenous Australian women compared to non-

Indigenous Australian women, and there has been little reduction in the gap between Indigenous and non-Indigenous women in relation to stillbirth rates to date.¹⁶

Taken together, this suggests that there are significant differences in the accessibility of maternity care services between Indigenous and non-Indigenous women. It seems that for Indigenous women, whether they live in the city or a remote area makes a significant difference to infant mortality rates, whereas for non-Indigenous women there is no difference in outcomes wherever they live (figure 3).

Australia is among the wealthiest nations in the world. Unlike many other wealthy nations, we have enjoyed almost three decades of sustained and uninterrupted economic growth. Yet today, the persistent gap between the haves and have-nots, and in socio-economic outcomes for Indigenous Australians, is cause for concern. The gap is clear when considering that, while non-Indigenous women in rural and remote areas appear to receive similar access and maternal care to their city counterparts, this is not the same for Indigenous women. This is an inequality that cannot continue. Ensuring appropriately resourced Indigenous health services – ensuring the full participation of Aboriginal and Torres Strait Islander peoples in addressing their health needs – and in particular boosting funding for the network of Aboriginal community controlled health services, would go a long way to address this shameful record.

This would be a good place for a government to spend some of the missing millions in Australian corporate tax avoidance.

RECOMMENDATIONS

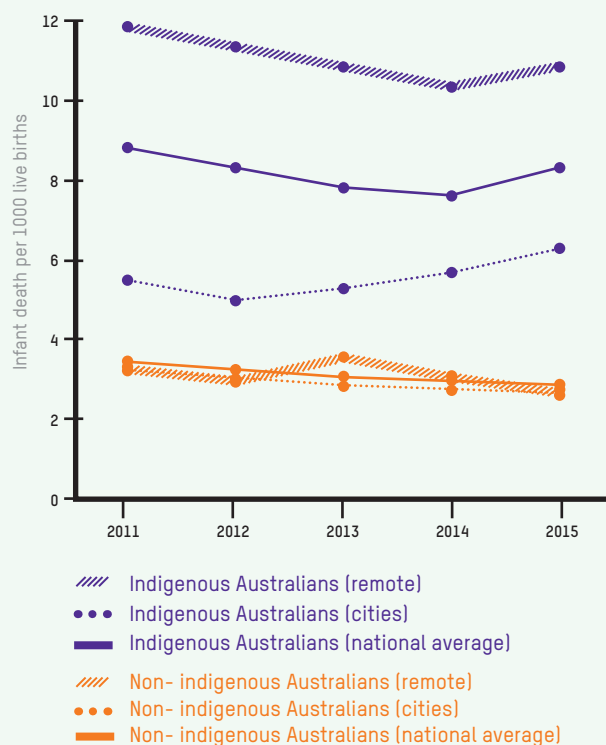
Governments and corporations must take action and close the inequality divide between the haves and have-nots, men and women, and Indigenous and non-Indigenous Australians. This includes addressing the key drivers of inequality – in the taxation systems, public services provision, and business supply chains.

Oxfam calls on the Australian Government to:

- Implement an updated Women’s Budget Statement.**
 The Women’s Budget Statement should be reinstated to better analyse and inform the impact of budgetary decisions on gender equality, such as the inclusion of more family-friendly policies that promote better work-family life balance for both parents. The Statement should disaggregate groups of Australian women to create a more informed picture of specific budget impacts, such as for Aboriginal and Torres Strait Islander women, women from different socio-economic groups, migrant women and women from rural and remote areas. The Government should also commit to funding regular Time Use Surveys,¹⁷ which have not been funded since the last Australian Bureau of Statistics (ABS) survey in 2006.¹⁸
- Take immediate steps to ensure the tax system is fair for all.** Fair tax systems can fight poverty and

Figure 3: Infant mortality rate overall for Indigenous women is double the rate for non-Indigenous women, with the gap widening in recent years

Source: ABS (2018), Deaths, Australia, 2017 (Cat. No. 3302)



Since this factsheet was published, the ABS has informed us that they updated the infant mortality data used in this factsheet, which can be found on the ABS website (Cat. No. 3302). The change has not affected the general trends observed in figure 3 and in this factsheet.

inequality by ensuring there is enough funding for the schools, hospitals, infrastructure and other public services people need. The Australian Government should take further steps to prevent the wealthiest multinational firms from operating in a shroud of secrecy which enables them to hide their profits in tax havens and avoid paying their fair share of tax in countries where they operate. This includes promoting global tax reforms that fundamentally redesign the tax system so it is fairer and more transparent, and introducing public country by country reporting of profits, revenues, and taxes paid by all large corporations operating in Australia.

- Properly resource public health and monitoring services that meet Indigenous Australians’ needs.** Addressing persistent and intergenerational disadvantage requires investing in public services that will break the cycle of poverty at the source. Ensuring Aboriginal and Torres Strait Islander Australian

women can access maternity care services that meet their needs would go a long way towards improving living standards and closing the gap on Indigenous disadvantage. The Australian Government should unfreeze funding for and boost the capacity of the network of community-controlled Aboriginal Medical Services, and create an Indigenous led Aboriginal Health Authority to monitor service delivery to Aboriginal and Torres Strait Islander peoples.

Oxfam calls on corporations to:

- **Pay their fair share of taxes and be transparent.**
Responsible tax behaviour returns long-term dividends to companies because the tax they pay contributes to a country's economic development and therefore creates future business opportunities. Firms should be transparent

about their business structures and operations, tax affairs and tax decision making. By subjecting themselves to public scrutiny, businesses will ensure the robustness of their business structures over the long term.

- **Get the basics right on human rights and women's rights.**
This includes fairly dealing with human rights abuses throughout Australian business supply chains, such as establishing effective grievance mechanisms that workers can access to report abuse and mistreatment. It also means making a real commitment to paying living wages that allow workers to live a decent life, and empowering women workers by adopting a proactive gender policy and ensuring pay equity. This should include gender sensitive policies that ensure safe and accessible workplaces for women, including with care, leave and a range of other workplace policies.

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